

(c) if so, the reaction of Government on the involvement of Chinese firms in the proposed sensitive gas pipeline project?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) and (b) No, Sir. It has been decided that selection of the Consortium for the finance, design and construction of the Project would be made on the basis of competitive solicitation.

(c) Does not arise in view of (a) and (b) above.

Processing of crude oil

‡2148. SHRI RAM JETHMALANI:

SHRI RAVI SHANKAR PRASAD:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the processing of crude oil yields petroleum products such as diesel, petrol, kerosene, etc. in the country;

(b) if so, the percentage of products this method yield to meet the consumption requirement in the country; and

(c) whether it is also a fact that the consumer sale price of these products (diesel, petrol, kerosene etc.) is fixed on the basis of import-export prices of these products in the country instead of fixing the price on the basis of production cost?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) Yes, Sir.

(b) Details of production of petroleum products from crude oil including gas fractionators *vis-a-vis* consumption during the last three years are as under:—

	(MMT)		
	2008-09	2009-10	2010-11 (April-December, 2010)*
Total consumption of petroleum products	133.6	138.2	105.3
Total production of petroleum products	157.5	185.0	145.2

*Provisional

‡Original notice of the question was received in Hindi.

Hence, the consumption requirement of the country is easily met from production in domestic refineries, except in case of LPG and Kerosene. During 2009-10 2.7 MMT of LPG and 1 MMT of SKO were imported to meet the requirement of domestic consumption.

(c) The price of Petrol has been made market-determined *w.e.f.* 26.6.2010. Subsequent to the implementation of market determined pricing for Petrol, the oil marketing companies take appropriate decision on the pricing of petrol on the basis of international oil prices and commercial considerations.

Based on the recommendations of the Rangarajan Committee, the Refinery Transfer Price (RTP) for diesel is fixed based on Trade Parity Price *w.e.f.* 16th June, 2006, which is the weighted average of import parity and export parity prices in the ratio of 80:20.

The Refinery Gate Prices of PDS Kerosene and Domestic LPG is done on Import Parity basis as per the methodology laid out in the Government approved PDS Kerosene and Domestic LPG Subsidy Scheme, 2002.

Measures for reduction in petrol and diesel prices

2149. SHRI PIYUSH GOYAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what action has been taken by Government to reduce petrol and diesel prices;

(b) whether it is a fact that Government is planning to increase petrol and diesel prices in near future;

(c) if so, the reasons therefor;

(d) whether Government is planning any substitute for petrol and diesel in future; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) Subsequent to the implementation of market determined pricing for Petrol effective 26th June, 2010, the oil marketing companies take appropriate decision on the pricing of Petrol on the basis of international oil prices and commercial considerations. The retail selling price of Diesel continues to be modulated by the Government and its price has not been revised after 26th June, 2010. Based on the refinery gate price, applicable from 1st March, 2011 the OMCs are incurring under-recovery of Rs. 11.16 per litre on the sale of Diesel which has not been passed on to the consumer. The Government is keeping a close watch on the price situation.